

TESTIMONY ON THE IMPORTANCE OF THE
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM

BY

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BEFORE THE SUBCOMMITTEE ON CHILDREN AND FAMILIES

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Subcommittee on Children and Families

Senator Christopher Dodd, Chairman

Senator Lamar Alexander, Ranking Member

Good morning, I am pleased to testify on behalf of the State of Tennessee on the importance of the Low Income Home Energy Assistance Program (LIHEAP) to our State. My name is Regina Surber and I am the Director of Community Services for the Tennessee Department of Human Services. The LIHEAP program is within my area and it provides an invaluable means for our Department to meet the heating and cooling needs of some of Tennessee's most vulnerable citizens.

Energy burdens (percentage of household income used for energy costs) are on the rise for our low-income households who typically pay a higher percentage of their income toward the costs of heating and cooling their homes. In Tennessee, households living at or below 125% of the federal poverty guidelines are eligible for LIHEAP energy assistance.

Our program operates year-round providing much needed energy assistance for heating and cooling costs. During the prior fiscal year, 95,089 households applied for assistance through the LIHEAP program and 83,448 households received assistance. The majority of households that did not receive assistance were not able to be served due to a lack of funds.

Tennessee's formula funding for LIHEAP averages about \$27M annually. The LIHEAP funds are distributed through a network of nineteen (19) nonprofit agencies and units of local governments serving all of our 95 counties. In our State, a priority point system is used to target services for households with members who are elderly, disabled, and/or under the age of six. In the prior fiscal year, 45% of the households served had members who were elderly, 39% with disabilities, and 16% with young children.

The LIHEAP guidelines provide for states to have the option to set aside up to 15% of their LIHEAP allocation to support weatherization activities for low-income households. In Tennessee, we transfer 10% of our LIHEAP allocation to the State's Weatherization Assistance Program to support weatherization measures such as insulation and furnace repair.

As we are all painfully aware, energy prices are soaring. In our State, we have seen many families arriving at our local agencies to apply for LIHEAP assistance who have never applied for assistance before. These are families who have been struggling paycheck to paycheck to provide for themselves and now find that their paychecks no longer cover the basic necessities of food, shelter, transportation, child care and medical needs.

Receiving assistance through the LIHEAP program means they can use some of the dollars for food or fuel to get to their jobs that they would have normally used to pay the energy costs of heating or cooling their homes.

States have the flexibility to set their benefit levels to address the needs in their local communities. When the number of households requesting assistance increases, states must decide whether to keep their current benefit levels and serve fewer households, or serve more households by reducing the benefit level.

This is a hard decision for a state office. Increasing the number of households by decreasing the benefit level for each, on the surface, seems an equitable way of sharing available resources. But are we truly helping a household with an \$800 electric bill if we provide them with a \$200 benefit through the LIHEAP program? Will this household be able to come up with the additional \$600 to keep their electricity on and their house warm or cool? For many of our elderly households, the answer would be no.

With the current increase in the number of households requesting assistance with their energy costs, our State's current formula allocation does not meet the need. Any decrease in LIHEAP program funding would have a detrimental effect on the health and well-being of low-income households in Tennessee. Similarly, no increase in the program allocations means that many more households will go without this basic necessity.

Experience has shown us that we have a need for the year-round availability of funds in our State. As a southern state, one may assume that the dangerously high temperatures in the summer months are the only time of year when we need to focus our efforts on assisting households with high energy bills.

However, we, like our northern counterparts, experience cold temperatures for a period of the year. Average temperatures across Tennessee during the month of January average 27 degrees. While our winters may not last as long, or be as extremely cold, as in other parts of the nation, individuals and families unable to pay for their heating costs often place themselves in great danger as they attempt to find alternate means, such as candles and wood fires, to keep themselves warm.

Certainly, we do need funds to assist households with cooling their homes. Last August, Tennessee, along with several other southern states, experienced some of the hottest temperatures ever recorded. The highest loss of life attributed to the heat wave was in our State where we had 15 deaths related to the extreme high temperatures.

We know that the elderly, the very young and the medically fragile are most susceptible to the heat. Our own limited efforts to address this issue through the distribution of air conditioners to low-income individuals met only a small portion of that need. We rely on the LIHEAP program to help us serve our low-income households during the summer months.

The mission of the LIHEAP program is to provide heating and cooling assistance to households living in poverty. These households are routinely placed in the difficult position of having to choose to pay for heating/cooling costs or feeding their families. The receipt of the federal LIHEAP program funds allows our State to provide assistance to these families so that, for at least one month, they won't have to make this difficult choice.

With the ever-increasing energy costs the need for energy assistance is surely to rise. The gap between available resources and eligible households in our State continues to widen. Senior citizens living on fixed incomes and households with members who are very young or have medical disabilities are struggling to pay their energy bills.

The need for energy assistance is growing so rapidly that support systems in local communities, including nonprofits and faith-based agencies, cannot meet the demand. These households will continue to turn to our Department for assistance. We rely on the LIHEAP program to enable us to meet their needs.

Energy is a basic need for all of us, whether it is for heating our homes during the winter months or cooling them in the summer months. For households that cannot afford their energy costs, a shut-off of their energy resource is only the first in a succession of problems resulting from their inability to pay their bill. These households often go on to experience additional medical expenses, malnutrition, and even homelessness.

Tennessee appreciates the fact that over the years Congress has seen the importance of funding the LIHEAP program and we ask for your continued investment in this critically needed program. We also ask for your consideration in re-evaluating and appropriately revising the funding formula to better reflect the real needs of the so-called “warm-weather” states.

Thank you for the opportunity to come before this subcommittee today to briefly share with you the importance of this federal program to thousands of households in Tennessee.